

## CASH MANAGEMENT AND INVESTMENTS

The Evangeline Parish School Board, in accordance with statutory provisions, may invest any funds which are available for investment and are above the immediate cash requirements of the Board in statutory sanctioned investments.

Strategies for proper cash management and investment of available funds shall be reviewed and evaluated on an annual basis to ensure that investment rules and guidelines expressed in this policy are being followed according to current statutory provisions. The assets of the Evangeline Parish School Board shall be held in trust by the fiduciary (fiduciaries) designated by the Evangeline Parish School Board. The investment of funds shall be managed by the Superintendent and/or his/her designee.

### DEPOSITORY BANK

Louisiana statutes require School Boards to select a fiscal agent for purposes of receiving or depositing funds of the School Board. The bank selected as fiscal agent shall be asked to enter into a fiscal agency contract or such other necessary instruments setting forth the duties, responsibilities, and agreements pertaining to said fiscal agency.

The selection of the official depository or treasury for the Evangeline Parish School Board funds shall be in the following manner:

1. All banks located within the school district shall be notified in writing inviting them to submit their proposal to serve as the official depositories or treasuries of the School Board.
2. The depositories or treasuries selected by the Board shall protect the School Board funds as provided by state law.

The fiscal agency bank, when selected, shall serve for a term as agreed to by the Board and until its successor shall have been duly selected and qualified, and shall pledge approved securities, as provided for in the fiscal agency contract subject to the regulations under state law.

### PLEGGED SECURITIES

Funds on deposit shall be collateralized an in amount at all times equal to 100% by pledged "approved securities" as specified by La. Rev. Stat. Ann. §39:1221 as amended to adequately protect the funds of the School Board.

The School Board shall periodically monitor the amount of approved securities to assure that an amount not less than 100% on deposit with the depository bank, less any applicable *Federal Deposit Insurance Corporation* (FDIC) insurance is pledged.

The bank shall have the right and privilege of substituting approved securities only upon obtaining the prior written approval of the School Board. Such approval may be granted by facsimile transmission. The approved securities shall be valued at their market value.

### INVESTMENT OPTIONS

The Evangeline Parish School Board, in accordance with statutory provisions, may invest any funds which are available for investment and are above the immediate cash requirements of the Board, from whatever source derived, in statutorily sanctioned investments. Types of investments include Direct U.S. Treasury obligations, bonds, debentures, notes issued by or guaranteed by federal agencies; bonds, debentures, notes, or other evidence of indebtedness issued by the state of Louisiana or any of its political subdivisions, with limited exceptions noted in La. Rev. Stat. Ann. §33:2955; or certificates, or time certificates of deposit in any bank domiciled or having a branch office in Louisiana or any other federally insured investment. The interest earned on any such investment shall be credited to the fund from which the investment was made.

The Board shall authorize its President and Superintendent, as treasurer, to invest any surplus funds in whatever type deposit that will offer the Board the most favorable rates of interest.

Investments of the Board shall be guided by the following:

1. Cash management and investment activities shall be conducted in a manner consistent with prudent business practices applied by governmental entities and shall be in compliance with applicable statutes.
2. Funds as determined by the chief financial officer to be in excess of immediate cash requirement shall be invested only in statutorily permitted obligations.
3. Appropriate emphasis in making any investment shall be in the following order:
  - a) to ensure safety of the principal amount.
  - b) to ensure liquidity of funds to meet all obligations of the Board.
  - c) the yield of the investments.

In no event shall monies be considered available for investment unless and until such funds are determined by the Superintendent or chief financial officer, in the exercise of prudent judgment, to be in excess of the immediate cash requirements of the fund to which the monies are credited. As a criteria in making such a determination, any amount of money exceeding ten thousand dollars which is on demand deposit to the

credit of the School Board, or to the credit of any fund and which is not required to meet an obligation for at least forty-five (45) days, or any amount of money exceeding one hundred thousand dollars which is on demand to the credit of the School Board or to the credit of any fund and which is not required to meet an obligation for at least fifteen (15) days shall be construed available for investment.

### INTEREST EARNINGS

The interest earned on any such investment shall be credited to the fund from which the investment was acquired or it may be applied to the payment of the principal and interest of the outstanding bonded indebtedness of that fund.

### LIQUIDATION OF INVESTMENTS

At any time that may be advisable, the Board may cash or liquidate any of the investments authorized herein which are purchased for any particular fund. The proceeds of any such liquidation shall be credited to the fund from which the authorized investments were originally purchased.

### PROHIBITED TRANSACTIONS

The following arrangements are expressly prohibited:

1. Any transactions not specifically authorized by this policy.
2. The purchase of securities on margin.
3. Direct purchases of single family or commercial mortgages.
4. Purchases of foreign bonds.
5. Collateralized mortgage obligations that have been stripped into interest only or principal only obligations.
6. Inverse floaters, or structured notes. For purposes of this section, *structured notes* shall mean securities of U.S. Government agencies, instrumentalities, or government-sponsored enterprises which have been restructured, modified, and/or reissued by private entities.

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Ref: La. Rev. Stat. Ann. §§17:99, 33:2955, 39:1211-1235; Board minutes, 8-17-05.