

BOARD POLICY
General Fund Investment

Descriptor Term: DFLA
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General Fund Investment

Purpose – It is the policy of the Bibb County Board of Education (“Board”) to invest its funds in a manner that will provide the highest investment return with the maximum security while meeting the daily cash flow needs of the Bibb County School District (“District”), and to comply with all statutes governing the investment of public funds.

Scope – This cash and investment policy applies to all financial assets of the District. These assets are accounted for in the various funds of the District and include the general fund, special revenue funds, debt service funds, capital projects funds (unless bond ordinances and resolutions are more restrictive), enterprise funds, internal service funds, and any new funds established by the District. Provided that case needs are not impaired, the financial assets of all funds maintained by the District will be invested unless legally prohibited.

Pooling of Cash and Investments – A minimum number of accounts will be maintained to facilitate the investment of available resources in larger amounts to increase interest revenue. Interest revenue will be allocated according to fund ownership within the pool.

Objectives – The primary objectives, in priority order, of the District’s investment activities will be:

- **Safety** – Safety of principal is the foremost objective of the investment program. Investments will be undertaken in a manner that seeks to insure the preservation of capital in the overall portfolio.
- **Diversification** – The investments will be diversified by security type and institution in order that potential losses on individual securities to not exceed the income generated from the remainder of the portfolio.
- **Liquidity** – The investment portfolio will remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated.
- **Return on Investment** – The investment portfolio will be designed with the objective of obtaining a rate of return throughout the budgetary and economic cycle, taking into account the investment risk constraints and the cash flow characteristics of the portfolio.

Delegation of the Authority to Make Investments – The authority to manage the investment program and invest the financial resources of the District for all financial assets of the District is delegated to the Chief Financial Officer and the Executive

Director of Accounting. The Chief Financial Officer and the Executive Director of Accounting will establish the written procedures and internal controls for the operation of the investment program consistent with this policy. Procedures should include references to safekeeping, cash purchase or delivery versus payment, investment accounting, repurchase agreements, wire transfer agreements, collateral/depository agreements, and banking service contracts. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Chief Financial Officer and the Executive Director of Accounting. The Chief Financial Officer and the Executive Director of Accounting will be responsible for all transactions undertaken and will establish a system of controls to regulate the activities of subordinate officials.

Legal Investments - The Chief Financial Officer and the Executive Director of Accounting are limited to the investments established by O.C.G.A. § 36-83-4 and may invest in the following:

1. Obligations of this state or of other states;
2. Obligations issued by the United States Government;
3. Obligations fully insured or guaranteed by the United States Government or a United States Government agency;
4. Obligations of any corporation of the United States;
5. Prime bankers' acceptances;
6. The Local Government Investment Pool (LGIP) established by O.C.G.A. § 36-83-8 and other instruments offered by The Georgia Office of the State Treasurer;
7. Repurchase agreements;
8. Obligations of other political subdivisions of this state; and
9. Certificates of Deposit pursuant to O.C.G.A. § 20-2-411).

Relationships with Banks and Brokers/Dealers – The Chief Financial Officer and the Executive Director of Accounting may invest idle, surplus funds through the open market, competitive procurement process that will include a formal request for proposals. In selecting depositories, the credit worthiness of institutions will be considered.

Use of Local Government Investment Pool – The Chief Financial Officer and Executive Director of Accounting will utilize the Georgia Fund 1 and GEAP anytime the rate of return is higher than the rate determined through requests

from banks. Georgia Fund 1 has a maximum maturity of sixty days.

Safekeeping and Custody – All security transactions, including financial institution deposits, entered into by the Chief Financial Officer and the Executive Director of Accounting will be safely secured and adequately collateralized. Securities may be held by a third party custodian designated by the Chief Financial Officer and the Executive Director of Accounting.

Diversification – When not investing in Georgia Fund 1, the District will diversify its investments by security type and institution.

Maximum Maturities – To the extent possible, the District will attempt to match its investment with anticipated cash flow requirements. The portfolio will not have an average duration exceeding three years.

Reporting - The Chief Financial Officer and the Executive Director of Accounting will provide monthly updates to the Board.

Performance Standards – The investment portfolio will be designated with the objective of obtaining a rate of return throughout the budgetary and economic cycles that is commensurate with the investment risk constraints and cash flow needs.

Ethics and Conflicts of Interest – Officers and employees involved in the investment process will refrain from personal business activity that could conflict with proper execution to the investment program, or which could impair their ability to make impartial investment decisions. Employees and investment officials will disclose to the Chief Financial Officer any material financial interest in financial institutions that conduct business within the Macon-Bibb County area, and will further disclose any large personal financial/investment positions that could be related to the performance of the District, particularly with regard to the time of purchases and sales.

Prudence – Investments will be made with judgment, skill, and care.