

## RSU #63

- a. **NEPN/NSBA Code:** **DIF**
  - b. **Title:** **Investment**
  - c. **Author:** **Budget & Finance Committee**
  - d. **Replaces Policy:** **NEW**
  - e. **Date Approved:** **11/27/2017 RSU #63**
  - f. **Date Previously Approved:**
  - g. **Policy Expiration:** **Review As Needed**
  - h. **Responsible for Review:** **Budget & Finance Committee**
  - i. **Date Reviewed:** **10/03/2017 Superintendent**  
**09/20/2017 Budget & Finance Committee**  
**11/14/2017 Policy Committee**
  - j. **References:** **20-A MRSA Section 1491; 20-A, Maine**  
**Education & School Statutes §1706**
- Cross References: Policy – DI-Fiscal Accounting &**  
**Recording**  
**Policy – DIE-Fund Balance**

**k. Narrative:**

**I. PURPOSE:**

The purpose of this policy is to establish guidelines and provide a clear understanding of the investment objectives of invested funds. It is also intended to state the expectations and parameters that will guide the Superintendent and Board of Directors (the Board) actions while providing flexibility to accommodate changing economic conditions and investment markets.

**II. OBJECTIVE:**

The investment objective is to generate funds to serve the mission and goals of RSU #63 District (the District) and to enhance the principal value of the Total Fund. The pursuit of this objective should maintain sufficient liquidity to meet the RSU's immediate financial obligations while minimizing the risk of the investment principle.

The Board recognizes that long-term reserve funds may be invested in securities that are subject to loss and whose return is not guaranteed. The Superintendent will take into consideration, the time frame in which the District will need the funds. The investment of long-term reserve funds is otherwise subject to all other investment objectives and requirements of this policy.

**A. SAFETY:**

The Superintendent will seek to avoid realized or unrealized capital losses on all investments and deposits of District funds, except to the extent expressly permitted by this policy in the case of long-term reserve funds. The Superintendent will manage risk through diversification, structuring maturities to meet anticipated cash needs, collateralization, and selection of investment grade securities. The Superintendent

will deposit District funds only in, and enter into repurchase agreements only with FDIC-insured financial institutions that are adequately capitalized and are otherwise in compliance with the requirements of the federal agency responsible for the safety and soundness of that institution.

**B. LIQUIDITY:**

The Superintendent will structure investments so that an adequate amount is maintained in short-term securities or deposits that can be converted to cash without loss to meet all reasonably anticipated needs.

**C. RETURN:**

The Superintendent will structure investments to seek a market-average rate of return throughout budgetary and economic cycles. Return on investment is of secondary importance to the safety and liquidity objectives described above. This does not prohibit the Superintendent from investing long-term reserve funds to achieve a market rate of return in excess of inflation as indicated previously.

**D. ROLE OF TREASURER:**

The Superintendent, who acts as the Treasurer of the District, is responsible for investing District funds. The Superintendent will invest District funds in a manner designed to achieve the objectives of safety, liquidity, and return on investment as described in this policy, while ensuring the stability of the District's cash management system.

**E. ROLE OF FINANCE COMMITTEE:**

The Superintendent will report to the Budget & Finance Committee any significant investment loss and any other significant adverse change affecting the safety, liquidity, or return on investment of the District's funds, and any action taken or proposed to address such loss or adverse change. The Superintendent will report to the Finance Committee periodically on the investment or deposit of District funds.

**F. STATUTORY CONSIDERATIONS:**

The District's funds will be invested or deposited in compliance with applicable laws, including section 1491 of Title 20-A.