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**Investments**

The Cherokee County Board of Education invests public funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the School District conforming to all state and local statutes governing the investment of public funds.

Safety of principal is the foremost investment objective of the investment portfolio. Each investment transaction will first seek to ensure that capital losses are avoided, whether from securities defaults or erosion of market value.

The investment portfolio will be designed to attain a market-average rate of return throughout budgetary and economic cycles, taking into account the investment risk and cash flow requirements.

The Superintendent may authorize the investment of surplus funds in any of the following instruments authorized under Georgia law (O.C.G.A 36-83-4):

- Obligations issued by the State of Georgia or by other states;
- Obligations issued by the United States government;
- Obligations fully insured or guaranteed by the United States government or a United States government agency;
- Obligations of any corporation of the United States government;
- Prime banker's acceptances;
- The local government investment pool established by O.C.G.A. 36-83-8;
- Repurchase Agreements;
- Obligations of other political subdivisions of the State of Georgia; and/or
- Certificates of Deposit

The Superintendent may authorize the investment of proceeds derived from the sale of general obligation bonds in any of the instruments authorized under Georgia law (O.C.G.A 36-82-7).

The Superintendent may authorize the investment of idle surplus funds through the competitive procurement process, which will include a formal request for quotes issued every three to five years. In selecting depositories, the credit worthiness of institutions must be considered.

Investments for all operating funds will be made in maturities of 12 months or less, unless a temporary extension of maturities is approved by the School Board.

Assets held in pooled funds and other investment funds will be diversified to eliminate the risk of loss resulting from concentration of assets in a specific maturity, a specific issuer or a specific class of securities.

The responsibility for authorizing investment transactions resides with the Superintendent or designee responsible for investment decisions and activities. Written administrative procedures for the operation of the program will be developed, consistent with all investment

**Cash Management and Investments**

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policies. No person may engage in an investment transaction except upon written authorization from the Superintendent, or designee.

Investments will be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, considering the probable safety of their capital, as well as the probable revenue to be derived. The Superintendent will observe and apply this rule to the management of the School District's investment portfolio.

The School District will require business officials involved in the investment process to refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions. Business officials will be required to disclose to the Superintendent any material financial interests in financial institutions that conduct business with the School District, and they will further disclose any large personal financial/investment positions that could be related to the performance of the portfolio.

The Superintendent will establish a system of written internal controls for investments. The internal controls will be reviewed annually by an independent auditor. The controls will be designed to prevent losses of funds arising from fraud, employee error, misrepresentations by third parties, unanticipated changes in financial markets, or imprudent actions by employees.

All investment securities purchased by the School District will be held in third-party safekeeping by an institution designated as primary agent. The primary agent will issue a safekeeping receipt to the School District listing the specific instrument, rate, maturity and other pertinent information.

Georgia law (O.C.G.A 45-8-12) provides that there will not be on deposit at any time in any depository for a time longer than 10 days a sum of public-derived money which has not been secured by surety bond, by guarantee of insurance, or by collateral in an amount of not less than 110 percent of the public funds being secured after the deduction of the amount of deposit insurance.

The Superintendent will submit to the School Board an annual investment report which summarizes recent market conditions, economic developments and anticipated investment conditions. The report will also include an activity of transactions, as well as the outstanding investment on the last day of the fiscal year. The report will contain sufficient information to permit an independent evaluation of the performance of the investment program, including but not limited to: average rates of return, comparison with applicable indices and average percentage of cash invested.

**Cash Management**

Cash management is the process of managing monies of the School District in order to ensure maximum cash availability and maximum yield on short-term investment of idle cash.

**BOARD POLICY**  
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**Descriptor Code: DFA**

All funds will be maintained in a minimum number of accounts, except where legally required to be separate, in order to facilitate the investment of available resources in larger amounts to increase revenue. Interest revenue will be allocated according to fund of origination.

The Superintendent or designee will authorize the issuance of a request for quotes for banking services to all qualified financial institutions located within Cherokee County or within a reasonable distance of Cherokee County. The award of banking services will be made solely on the response to the request for such quotes. After a depository is chosen, a banking services contract will be negotiated.

The Superintendent will utilize the State approved and operated local government investment pool anytime the rate of return is higher than the rate determined through requests from banks.

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**ADOPTED: July 19, 2018**

**Cherokee County Board of Education**