

INVESTMENT POLICY

This investment policy is adopted in accordance with the provisions of applicable law by the Board of Education of the Holdenville Public School District (the "District"). This policy sets forth the investment policy for the management of the public funds of the District. The policy is designed to ensure prudent management of public funds, the availability of funds when needed, and reasonable investment returns.

INVESTMENT AUTHORITY:

The District Treasurer is required by the Board of Education to invest District monies in the custody of the Treasurer in those investments permitted by law. The Treasurer shall, to the extent practicable, use competitive bids when purchasing direct obligations of the United States Government or other obligations of the United States Government, its agencies, or instrumentalities.

The District Treasurer shall execute surety bonds as required by law before the performance of all duties required by the District's investment policy and shall limit investments to:

- 1.** Direct obligations of the United States Government to the payment of which the full faith and credit of the Government of the United States is pledged; provided the District Treasurer, after completion of an investment education program in compliance with applicable law, may invest funds in the investment account in other obligations of the United States Government, its agencies or instrumentalities;
- 2.** Obligations to the payment of which the full faith and credit of this state is pledged;
- 3.** Certificates of deposits of banks when such certificates of deposits are secured by acceptable collateral as in the deposit of other public monies;
- 4.** Saving accounts of savings certificates of savings and loan associations to the extent that such accounts of certificates are fully insured by the Federal Savings and Loan Insurance Corporation;

- 5.** Repurchase agreements that have underlying collateral consisting of those items specified in paragraphs 1 and 2 above including obligations of the United States, its agencies and instrumentalities, and where the collateral has been deposited with a trustee or custodian bank in an irrevocable trust or escrow account established for such purposes;
- 6.** County, municipal or school district direct debt obligations for which an ad valorem tax may be levied or bond and revenue anticipation notes, money judgments against such county, municipality or school district ordered by a court of record or bonds or bond and revenue anticipation notes issued by a public trust for which such county, municipality or school district is a beneficiary thereof. All collateral pledged to secure public funds shall be valued at not more than market value;
- 7.** Money market mutual funds regulated by the Securities and Exchange Commission and which investments consist of obligations of the United States, its agencies and instrumentalities, and investments in those items and those restrictions specified in paragraphs 1 through 6 above;
- 8.** Warrants, bonds or judgments of the District;
- 9.** Any other investment that is authorized by law.

SAFEKEEPING AND CUSTODY:

The Treasurer will maintain a list of the financial institutions pursuant to 70 Okla. Stat. Section 5-177b which are authorized to provide investment services, and will maintain a separate list of financial institutions with collateral pledged in the name of the District. Consideration of local banking institutions will be given priority. All security transactions entered into by the District shall be conducted on a delivery-versus-payment basis.

- 1.** Securities purchased from a bank or dealer, including any collateral required by state law for a particular investment, shall be placed under an independent third party custodial

agreement. The Trust Department of a financial institution will be considered to be independent from the financial institution.

2. All securities will be book entry form, and physical delivery of securities will be avoided.
3. Telephone transactions may be conducted, but such transactions must be supported by written confirmation, which may be made by way of a facsimile on letterhead with authorized signatures of the safekeeping institution.
4. Written transactions and confirmations of transactions by computer connections will be kept in the Treasure's office.

REPORTING AND REVIEW OF INVESTMENTS:

The Treasurer will prepare an investment report to be submitted to the Board of Education on at least a monthly basis. The report will include:

1. A list of individual securities held at the end of the reporting period.
2. The purchase and maturity dates of these securities.
3. The name and fund for these securities.
4. The yield rate of these securities.
5. Any collateral pledged by a custodian.

The board of Education shall review the Treasurer's investment performance on a regular basis that is no less frequent than monthly.

DEPOSITING OF INTEREST:

Unless otherwise directed by the Board of Education through policy or by special directive, by the Oklahoma Constitution, or by the federal government, income earned from the investment of activity funds shall be deposited in the General sub account in the School Activity Fund and used for Board of Education approved purposes.

REFERENCE: 62 O.S. §333, et seq.; §348.1, §471 70 O.S. §5-115