

<p>Pol. 619</p>	<p><u>Audit</u></p> <p>The Board directs that all investment records be subject to annual audit by the district's independent auditors.</p> <p>The audit shall include but not be limited to independent verification of amounts and records of all transactions, as deemed necessary by the independent auditors.</p> <p>It shall be the responsibility of the investment advisor and/or bidder to maintain necessary documents to permit independent audit of the district's investments.</p>
<p>53 Pa. C.S.A. Sec. 8001 et seq</p>	<p><u>Bond Proceeds</u></p> <p>Bond proceeds shall be invested in accordance with the Local Government Unit Debt Act and applicable federal and state laws, subject to approval by the solicitor and/or bond counsel and the Board.</p> <p>Investment transactions arising from bond proceeds shall be reported monthly to the Board, in accordance with policy.</p>
<p>SC 218, 440.1 GASB Stmt 40</p>	<p><u>Compliance With GAAP</u></p> <p>The following is intended to guide district investments as limited by law:</p> <ol style="list-style-type: none"> 1. District funds shall not be invested in foreign currency and shall have no related risk that would require disclosure pursuant to GASB Statement 40. 2. District investments shall limit the exposure to loss of principal due to market changes in interest rates. 3. District investments in authorized instruments that are not backed by the “full faith and credit” of the federal or state government shall be limited to those with the highest credit rating available for such instruments issued by a recognized organization. <p>If, after purchase, the rating of any instrument is reduced and no longer in compliance with Board policy, the individual responsible for district investments shall advise the Board at the earliest opportunity of such action and make recommendations for altering investments.</p>

<p>SC 440.1 72 P.S. Sec. 3836 et seq</p>	<p>4. When district funds are invested in any one (1) issuer other than designated depository accounts (which includes external investment pools), and securities issued or explicitly guaranteed by the U.S. Government (owned directly by the district), the amount of the investment shall be unlimited, but the Board shall be notified of such investment monthly.</p> <p>5. For purposes of interest rate disclosure in the annual financial report, the method of determining interest rate risk shall be based on weighted average maturity.</p> <p><u>Protection Of Bank Balances In Excess Of FDIC Limits</u></p> <p>When district cash is deposited in an authorized depository, if the cash balance exceeds the insurance limits, district funds will be collateralized pursuant to law.</p> <p>It shall be the responsibility of the Business Manager to verify with the depository the value of the instrument(s) based on the instrument being “marked to market.”</p> <p>Verification of the value of the collateral instrument(s) shall occur annually.</p> <p>Following a review of valuation, the Business Manager may request an additional review by the district’s investment advisors or financial consultant, and shall require additional collateral if the existing collateral has declined in value and exposes the district to potential loss of principal. The Board shall be advised of the status of the valuation review and any additional collateral at the first meeting following the review.</p> <p>References:</p> <p>School Code – 24 P.S. Sec. 218, 440.1, 621, 622, 623</p> <p>Local Government Unit Debt Act – 53 Pa. C.S.A. Sec. 8001 et seq.</p> <p>Public Officials and Employee Ethics Act – 65 Pa. C.S.A. Sec. 1101 et seq.</p> <p>Security of Public Deposits – 72 P.S. Sec. 3836 et seq.</p> <p>Investment Companies, Title 17, Code of Federal Regulations – 17 CFR Part 270</p> <p>Governmental Accounting Standards Board, Statement No. 40</p> <p>Board Policy – 000, 619</p>
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