

**Policy**

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CASH MANAGEMENT/INVESTMENT

The board of education encourages an aggressive cash management program and expects temporary cash balances to be invested in interest bearing accounts as may be in the best interest of the school district.

Funds of the board may be invested in bonds or other obligations of the United States, bonds of certain federal agencies as specified by law, the New Jersey Cash Management Fund, bonds or obligations of the county, municipality or school district and public depositories located within the boundaries of the state of New Jersey Provided such depositories secure public funds in accordance with state law.

Investment of board funds may be made by the superintendent as annually authorized by the board at its organization meeting. The board also requires that the business administrator/board secretary report to the board annually the amount of funds in investments, the types and amounts of each investment and the interest earned on each.

The treasurer of school moneys shall include in the monthly report to the board, all cash in all accounts on deposit as well as all investment assets of the board. The interest earned on such investments shall be combined with the general revenues of the board.

Custodial Credit Management

The Governmental Accounting Standards Board Statement No. 40, Deposit and Investment Disclosures requires that the board disclose whether its deposits are exposed to custodial credit risk (risk that in the event of failure of the counterparty, the board would not be able to recover the value of its deposit or investment). The board shall disclose according to law and policy deposits are considered to be exposed to custodial credit risk if they are:

- A. Uncollateralized (securities are not pledged to the depositor);
- B. Collateralized with the securities held by the pledging financial institution; or
- C. Collateralized with securities held by the pledging financial institution's trust department or agent but not in the name of the City.

Adopted: December 15, 2016

Key Words

Investment, Invest, Funds, Interest, Bonds

<b>Legal References:</b> <u>N.J.S.A. 17:9-41</u>	Definitions of security for deposit
<u>N.J.S.A. 18A:17-34</u>	Receipt and deposit of moneys
<u>N.J.S.A. 18A:20-37</u>	Purchase of certain types of securities
<u>N.J.S.A. 18A:24-47</u>	Payment to custodian; application (proceeds of bonds)
<u>N.J.S.A. 52:18A-90.1</u>	Common trust fund
<u>N.J.S.A. 52:18A-90.4</u>	State of New Jersey Cash Management Fund

**Possible**

<b><u>Cross References:</u></b>	*3100	Budget planning, preparation and adoption
	*3160	Transfer of funds between line items/amendments/purchases not Budgeted
	*3220/3230	State funds/federal funds
	*3400	Accounts
	*3440	Inventories
	3500.1	Energy
	*3570	District records and reports
	*3571.4	Audit
	*9326	Minutes

\*Indicates policy is included in the Critical Policy Reference Manual.