

Eugene School District 4J

Code: **DFA**
Adopted: 5/21/14
Readopted: 1/03/18
Orig. Code(s): DFA

Investment of Funds

This policy defines the parameters within which funds are to be invested by the district and formalizes the framework, pursuant to Oregon Revised Statute (ORS) 294.135, for investment activities to ensure effective and judicious management of funds.

These guidelines are intended to be broad enough to allow designated district staff to function properly within the parameters of responsibility and authority, yet specific enough to adequately safeguard the investment assets.

The district's investment program shall be operated in accordance with Oregon Revised Statutes and applicable federal law. Specifically, this investment policy is written in accordance with ORS 294.035; 294.040; 294.052; 294.135; 294.145; and 294.810. All funds within the scope of this policy are subject to regulations established by the state of Oregon. Any revisions or extensions of these sections of the ORS shall be assumed to be part of this investment policy immediately upon enactment.

This policy applies to activities of the district with regard to investing the financial assets of operating and capital funds. Investment of bond proceeds and bond reserve funds is also covered by this policy, unless the Board provides specific investment policy guidance in this area. Investment of employee retirement funds, tax shelter annuity fund, and other similar funds are not covered by this policy.

Delegation of Authority and Responsibilities

The Board will retain ultimate fiduciary responsibility for invested funds. The Board, at its discretion, may choose to set investment policy parameters that are more restrictive than those imposed by ORS 294 to meet the district's investment and risk objectives.

The Board delegates to the chief financial officer or designee, herein referred to as the investment officer, the authority to manage investments within the scope of this policy, and operation the investment program in accordance with established written procedures and internal controls derived from the following: ORS 294.035 to 294.052, 294.125 to 294.145 and 294.810.

No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the investment officer. The investment officer shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of district staff and others involved in the investment program. All participants in the investment process shall seek to act responsibly as custodians of the public trust.

Objectives

The primary objectives, in priority order, of investment activities shall be:

1. Preservation of Invested Capital – Investments shall be undertaken in a manner that seeks to preserve the original capital in the overall portfolio, and mitigate credit and interest rates risk;
2. Liquidity – The investment portfolio shall remain sufficiently liquid to meet all reasonably anticipated operating, capital and bond requirements. Unless otherwise directed, the portfolio should consist of securities with an active secondary or resale market. A portion of the portfolio may be placed in the Oregon Short Term Fund, which provides next-day liquidity for most transfer requests. Where possible and prudent, the portfolio should be structured so that investments mature concurrent with anticipated demands;
3. Return on Investment – The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into consideration the safety and liquidity needs of the portfolio. Although return consists of both principal return (gains and losses due to market value fluctuations) and income return (yield), this policy discourages active trading and turnover of investments. Investments should generally be held to maturity.

Investment Committee

The Board may seek to establish an investment committee to provide guidance to the investment officer and monitor investment policy compliance.

Investment Adviser

The Board may engage the services of one or more external investment managers to assist in the management of the district's investment portfolio in a manner consistent with this investment policy. Investment advisers may be hired on a nondiscretionary basis. All investment transactions by approved investment advisers must be pre-approved in writing by the investment officer and compliant with this investment policy.

END OF POLICY

Legal Reference(s):

[ORS 294.033](#)
[ORS 294.035](#)

[ORS 294.125](#)
[ORS 294.135](#)

[ORS 294.145](#)
[ORS 294.155](#)