

# Riverdale School District 51J

Code: **DFA**  
Adopted: 8/24/98  
Readopted: 5/08/06  
Orig. Code(s): DFA

## **Investment of Funds**

The Board may authorize the investment or reinvestment of funds which are not immediately needed for operation of the district. Such investments will comply with state law and Oregon Administrative Rules.

The superintendent and business manager will develop criteria for the appropriate investments of district funds. A progress report of investments will be made to the Board on a regular basis.

### **Objectives**

The investment objectives are:

1. Preservation of capital and the protection of principal;
2. Maintenance of sufficient liquidity to meet operating requirements
3. Avoidance of imprudent credit, market, or speculative risk
4. Attainment of a market rate of return throughout all economic and fiscal cycles.

### **Delegation of Authority**

The business manager and superintendent are the designated investment officers of the district and are responsible for investment decisions, under the review of the Board. Investments shall be authorized by a written order of the Board, spread upon the Board minutes, as required by ORS 294.035. The investment officer is responsible for setting investment policy and guidelines subject to review and adoption by the Board and, if required, review and comment by the Oregon Short-Term Fund Board. Further, the business manager will be responsible for the day-to-day operations of the investment process which includes but is not limited to choosing what to buy or sell, from whom investments will be purchased, executing the buy/sell orders, producing necessary reports, and supervising staff. In addition to the active management of the investment portfolio, the business manager is responsible for the maintenance of other written administrative procedures consistent with this policy and the requisite compliance. To further optimize the total return of the investment portfolio, the business manager will administer an active cash management program the goal of which will maintain historical cash flow information i.e. debt service; payroll; revenue receipts; and any extraordinary expenditures. Finally, the business manager shall be responsible for committing adequate financial support for staffing, training, telecommunications and computer hardware, systems and software, and any other necessary resources deemed appropriate for incremental benefit to the investment and cash management programs.

## **Prudence**

So long as funds are invested as authorized in ORS 294.035 or 294.801, the standard of prudence to be used by the investment officer in the context of managing the financial resources shall be the prudent investor rule, which states: “Investments shall 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, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.”

The investment officer and staff, acting in accordance with written procedures and exercising due diligence, shall not be held personally responsible for a specific security’s credit risk, market price changes, or loss of principal if securities are liquidated prior to maturity provided that these deviations and losses are reported as soon as practical and action is taken to control adverse developments.

END OF POLICY

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### **Legal Reference(s):**

[ORS 294.033](#)

[ORS 294.035](#)

[ORS 294.135\(1\)\(a\)](#)

[ORS 294.155](#)