

Willamette Education Service District

Code: **DFA**
Adopted: 7/12/05
Readopted: 4/06/10

Investment of Funds

At certain times during the course of the fiscal year, there will be available funds that are in excess of immediate operational needs of the ESD.

The Board directs that the ESD invest such excess funds in accordance with applicable Oregon Revised Statutes.

Authority

The Board delegates to the Director of Fiscal Services or designee, the responsibility of investment portfolio manager. The portfolio manager is responsible for investment decisions and activities, under the direction of the Director of Fiscal Services. The portfolio manager will maintain written procedures for the operation of the investment program, consistent with related policies.

Objectives

There are three principles that will guide the portfolio manager in implementation of this policy:

1. The primary objective of investment activities is the preservation of capital and the protection of investment principal. In investing public funds, the ESD will not assume unreasonable investment risk to obtain investment income. In all investment activities, the portfolio manager will follow 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.";
2. Adequate liquidity to meet daily funds needs for payment of ESD operating requirements which might be reasonably anticipated will be the second objective of the portfolio manager;
3. The third objective of the portfolio manager will be optimization of investment earnings consistent with adherence to the objectives.

Reporting Requirements

The portfolio manager shall prepare accurate daily and monthly reports for management purposes. Additionally, the Board will be provided accurate quarterly reports which will include data providing information such as dealer name, type of investment, issue date, maturity date, rate of interest and principal invested as well as any further data or narrative explaining the basis of the investment decision. As soon as practical after the end of the fiscal year, a comprehensive annual report on the investment program and

investment activity shall be presented to the Board. The annual report shall include a summary of administrative accomplishments, the overall trend of the economy and interest rates and other pertinent data.

Portfolio Safety

In compiling the ESD's safety portfolio the ESD will address investment risks by:

1. Developing an explicit procedure for determining which credit exposures the ESD is willing and able to undertake;
2. Determining maximum security maturity.

To minimize risk exposure the ESD will:

1. Appropriately collateralize;
2. Consider delivery vs. payment types of transactions;
3. Consider delivery of physical items to a third party for safekeeping;
4. Obtain safekeeping receipts;
5. Consider diversification.

The Director of Fiscal Services will report cash management activities monthly to the Board. The report shall include the performance of the fund and the information on which the Director of Fiscal Services is making decisions to include basic economic facts.

END OF POLICY

Legal Reference(s):

[ORS 294.033](#)

[ORS 294.035](#)

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

[ORS 294.155](#)