

DFA - INVESTMENT

The Board authorizes the Charter School Treasurer, working in conjunction with the Dean and his/her designee and pursuant to RSA 197:23-a, to invest the funds of the Charter School subject to the following objectives and standards of care.

OBJECTIVES

The three objectives of investment activities shall be safety, liquidity, and yield.

1. Safety of principal is the foremost objective in this policy. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital by mitigating credit and interest rate risk. This will be accomplished by limiting the type of the investments and institutions to those stipulated by statute and fully covered by FDIC insurance or collateral approved pursuant to applicable law.
2. Liquidity of the investment portfolio shall remain sufficient to meet all operating requirements that may be reasonably anticipated.
3. Yield. The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs. Return on investment is of secondary importance compared to the safety and liquidity objectives described above.

STANDARDS OF CARE

1. Prudence. The standard of prudence to be used by the Charter School Treasurer and Dean, or his/her designee involved in the investment process, shall be the "prudent person" standard and shall be applied in the context of managing an overall portfolio. They are directed to use the GFOA* Recommended Practices and Policy Statements Related to Cash Management as a guide to the prudent investment of public funds.
2. Ethics and conflicts of interest. The Charter School Treasurer and Dean, or his/her designee involved in the investment process, shall refrain from personal business activity that could conflict with the proper execution and management of the investment program or that could impair their ability to make impartial decisions. Employees and Investment officials shall disclose any material interests in financial institutions with which they conduct business. They shall further disclose any personal financial institutions with

which they conduct business. They shall also disclose any personal financial/investment positions that could be related to the performance of the investment portfolio. Employees and officials shall subordinate their personal investment transactions to those of the Charter School, particularly with regard to the timing of purchases and sales.

3. Internal Controls. The Charter School Treasurer and Dean or his/her designee shall establish a system of internal controls which shall be documented in writing. The internal controls shall be reviewed periodically by the Board and an independent auditor.

The investment of funds will require approval of the Board.

The Board will periodically review the investment policy.

Legal References:

RSA 197:23-a, Treasurer's Duties

RSA 383:22, Public Deposit Investment Pool

Appendix: DFA-R

Policy Committee Approved: January 28, 2014

Board Approved: March 25, 2014

Amended: July 10, 2019