

BUTTE SCHOOLS SELF-FUNDED PROGRAMS

POLICIES & PROCEDURES MANUAL

Subject: **INVESTMENTS**

Section: **2.2**

The Board's purpose in setting financial and investment policies is to enable it to meet current requirements for the payment of operating expenses, defense, and settlement of claims in a timely fashion and to invest all excess funds in a manner that offers such appreciation opportunities as are consistent with conservation of principal, and consistent with the provisions of Government Code Section 53601 and 53656. To effectuate this purpose, the Board adopts the following policies:

1. Short Term Cash Policy

The Board's Short Term Cash Policy is to have sufficient investments in liquid accounts such as the Butte County pooled surplus investment fund or the California State Treasurer's Local Agency Investment Fund to meet the anticipated cash flow needs of the Fund for at least six months.

2. Long Term Investment Policy

The Board's Long Term Investment Policy is to invest excess funds in a manner that will tend to preserve capital and will provide a reasonable rate of return under prevailing market conditions. It is understood that terms of 1-5 years may be utilized to achieve goals in this area.

3. Board Oversight Policy

It is the policy of the Board to review Fund cash flow projections at least annually;

- (a) to determine the necessary funds to be transferred to the short term cash accounts of the Fund;
- (b) to review its long term investments, and
- (c) to plan for such future assessments as may be necessary to insure that the Fund will have sufficient resources to meet its obligations.