

REVENUES FROM INVESTMENTS/USE OF SURPLUS FUNDS

The Board of Directors recognizes the importance of prudent and profitable investment of Centennial BOCES moneys and its responsibility in overseeing this part of the Centennial BOCES financial program.

This policy shall apply to the investment of all financial assets and all funds of Centennial BOCES over which the Board exercises financial control. In order to effectively make use of Centennial BOCES cash resources, all moneys shall be pooled into one investment account and accounted for separately. The investment income derived from this account shall be distributed to the Centennial BOCES administration account as directed by the Board in accordance with state law.

All Centennial BOCES funds allocated to a specific use, but temporarily not needed, shall be invested by the executive director or designee in accordance with state law and in a manner designed to accomplish the following objectives: safety, liquidity and yield, in that order of importance.

1. **Safety.** Investments shall be undertaken in a manner that seeks to preserve the capital in the overall investment program, through the mitigation of credit risk and interest rate risk.
2. **Liquidity.** The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may reasonably be anticipated, through matching of maturity dates to cash flow needs, investment in securities that have active secondary markets, and investment of a substantial portion of assets in instruments that have same day liquidity and a constant dollar value per share.
3. **Yield.** Subject to the need for safety and liquidity, the investment program shall seek to attain a market rate of return.

The intent of Centennial BOCES is to support financial institutions located within Centennial BOCES boundaries. Investments in institutions located outside of Centennial BOCES boundaries will be made when competitive rates or lack of collateral available from local financial institutions make this decision in the best interest of Centennial BOCES or when investment timing requires investment alternatives and short-term yields not conveniently available in Centennial BOCES. If Centennial BOCES is contemplating any investment or deposit outside of the state, the Board shall be notified. The Board shall seek legal advice prior to any such investment or deposit.

On a periodic basis, the executive director or designee will determine the cash needs of Centennial BOCES for the ensuing period. The amount so determined shall be retained in the operating account(s) of Centennial BOCES. The operating account(s) may be opened at any financial institution that qualifies as an eligible public depository in accordance with state law. Financial institutions must also comply with all legal requirements regarding the pledging of collateral for public funds.

Funds that are not required to meet the cash needs of the ensuing period may be invested in legally permissible investments.

The Board shall be kept informed of investments and yields through regular quarterly reports. These reports shall be formatted in a manner that allows the Board to evaluate the success of its investment practices in light of its stated objectives.

LEGAL REFS.: C.R.S. 11-10.5-101 et seq. (Public Deposit Protection Act)
C.R.S. 11-47-101 et seq. (Savings and Loan Association Public Deposit Protection Act)
C.R.S. 22-5-108 (1)(g) (power to invest)
C.R.S. 24-75-601 et seq. (public funds – legal investments)
C.R.S. 24-75-701 et seq. (investment funds – local government pooling)

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Centennial BOCES